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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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DOGM
MINERALS PROGRAM
FILE COPY

January 29, 1991

Mr. Dave Wolfe
Assistant Treasurer
Hecla Mining Company
6500 Mineral Drive
Box C-8000
Coeur d'Alene, Idaho 83814-1931

Dear Mr. Wolfe:

Re: Temporary Reclamation Surety, Escalante Silver Mine, M/021/004, Iron County, Utah

This is a response to your letter dated January 11, 1991, requesting forms and instructions for posting a temporary reclamation surety for the Escalante site.

Please find enclosed, Form MR-RC or Reclamation Contract. Please fill out the form in its entirety using figures from the Division's most recent reclamation estimate (\$181,500). Please attach the Certificate of Deposit to the contract and a legal description of the area to be covered by the surety.


Please call me if you have questions with the form. Pursuant to our Memorandum of Understanding with the BLM, the Certificate of Deposit needs to be made out to both the Division of Oil, Gas and Mining and the U.S. Department of Interior, Bureau of Land Management.

I have enclosed a copy of a letter, dated December 13, 1990, drawn up by the Division for a similar type of surety. In this case, the operator wanted the interest accrued deposited to a separate account. Also, I have enclosed a sample legal description. The Certificate of Deposit should be made out for a term of 1 month and must be automatically renewable.

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Hecla Mining Company
M/021/004
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Thank you for your assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read "H. Shepherd", written in a cursive style.

Holland Shepherd
Reclamation Specialist

jb
Enclosures
M021004.2